

STEVEN HORSFORD
4TH DISTRICT, NEVADA



CONGRESSIONAL BLACK CAUCUS, CHAIRMAN
COMMITTEE ON FINANCIAL SERVICES
COMMITTEE ON ARMED SERVICES

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

May 3, 2023

Gary Gensler
Chair, U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chair Gensler,

Historically, the SEC has provided 90–120-day comment periods for complex rule proposals. I am concerned that the current pace, volume, and breadth of proposals coming out of the Commission—many in a direction which I enthusiastically support—risk sacrificing being “right” for being “right now.” A thoughtful rule proposal process is critical to ensuring that the results of the Commission’s critical work best serve markets and investors, and importantly, have longevity.

As the October 2022 SEC OIG report—*The Inspector General’s Statement on the SEC’s Management and Performance Challenges*—notes, our markets are deep and complex: \$118 trillion in annual trading volume; 29,000 registered entities; 24 exchanges; 95 alternative trading systems. When I read in the report that the pace of rulemaking “limits the time available for staff research and analysis,” it concerns me that important rulemakings I support are going to be susceptible to legal challenges, or create unintended consequences that even the excellent staff at the Commission cannot foresee.

Last year, Congress overwhelmingly approved the *Consolidated Appropriations Act, 2023*, which included an important provision urging the SEC to redo its economic analysis of the Private Fund Adviser proposal to “ensure the analysis adequately considers the disparate impact on emerging minority and women-owned asset management firms, minority and women-owned businesses, and historically underinvested communities.” While the provision specifically focuses on the potential for unintended consequences of one far-reaching proposal, I expect the Commission to consider these factors in each of its proposals’ cost-benefit analyses.

Chair Gensler, I encourage you and your staff to reconduct the cost-benefit analysis for any proposals which did not originally adequately take into account the specific impact on minority- and women-owned firms. Further, when possible, please consider providing longer comment periods in order to accommodate smaller, less-resourced organizations potentially impacted by a proposal - and sometimes multiple complex proposals at once. Finally, it will be equally important to consider the aggregate impact and costs of the Commission’s twenty-plus proposals on minority- and women-owned firms.

If you have any questions, please do not hesitate to contact my Deputy Chief of Staff, LaVontae Brooks, at LaVontae.Brooks@mail.house.gov or by phone at 202-225-9894.

Sincerely,

A handwritten signature in black ink that reads "Steven Horsford".

Congressman Steven Horsford
4th District, Nevada

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